The Role of Higher Education Institutions in the Country's Innovative Development and Economic Growth

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Abstract: The article discusses the role of innovation in the development of the country's economy, the main directions of its provision, the sources of innovation in world practice and theory, the contribution of higher education institutions to innovation development.

Keywords: innovation, innovative development, R&D, innovative model, intensification of competition, science-education-production integration, innovation transfer, commercialization.

The need for qualitative changes in the modern economy is explained by the declining traditional factors of economic growth and the declining efficiency of their use. This, in turn, means that the basis for economic growth and living standards in the XXI century will be the development of innovative activities, the system of innovative development of scientific knowledge, new technologies, products and services. Today, 75-80% of the GDP of developed countries is due to innovative production technologies and management, which contain new knowledge. Innovative technologies are one of the main bases in building a knowledge economy based on high technology, scientific and industrial potential and intellectual property.

The innovative model of economic development envisages the systematic application of scientific achievements in industry and the real sector of the economy, the activation of innovative activities of enterprises and organizations.

In world practice and theory, the source of innovation can be combined into the following two types:

1. Import of technology and knowledge from abroad and use them in accordance with local conditions, taking into account the specifics of the economy.
2. Creation of new knowledge and technologies not only at the national system, but also at the global level.

Countries that carry out large-scale research and experimental design work aim to maintain their scientific potential and the level of innovative development. It aims to maintain and increase investment in research and development, to develop cooperation between entrepreneurs, national companies, universities and laboratories by encouraging the participation of the private sector in research and development, to make energy economically viable and strategically important for the economy, focus on existing research and development, as well as the development of scientific incubators, technology parks and innovation clusters.

Countries that do not have the necessary potential to innovate will have to adopt knowledge and technology from other countries and create the necessary conditions to adapt them to local conditions. At the same time, measures will be taken in these countries to create the necessary infrastructure for the development of research and development.

In the transition to an economy based on an innovative development model, the following areas are very important for all countries, regardless of the chosen strategy and level of technological development:

- development of research institutes;
- creating an environment conducive to innovation;
- creating a chain of cooperation between business and creators of new knowledge and technologies;
- continuous improvement of information and communication technology infrastructure;
- maintenance and development of strategically important technologies;
- development of the education system, especially higher education institutions;
- creating an optimal innovation environment in the country.

Among the areas listed above, the most important is the development of the education system, especially higher education institutions. The main reason for this is their role in training, production of new knowledge, creation and introduction of innovations in production, modernization of industries and sectors of the country.

In modern conditions, higher education institutions have a dual nature. On the one hand, the university is a special institution and organization. It has the most intelligent workers. Its main functions are to preserve the national cultural and educational potential, increase the literacy of the population and increase the scientific and technological progress of the country, the reproduction of accumulated knowledge and skills. At the same time, the university is a subject of the economy, a producer of intellectual products and educational services. This duality means that the higher education institution is an integral part of the economic system, is indirectly connected with the material sphere, and at the same time is affected by market changes.

Universities contribute to the development of the economy in three main areas:

The first area is the activity of universities in the procurement of goods and services created in the economy and the fulfillment of orders.

The second area is the activities related to increasing human capital through education and training, which is traditional for universities.

In the context of intensified competition, economic entities are required to carry out innovative activities. This requires the constant cooperation of these enterprises with universities, the effective organization of the process of implementation of innovations in production, and, most importantly, the availability of personnel who can apply scientific and technological advances in practice and have the potential to further develop it. In order to meet this demand, the educational process in universities should be organized in accordance with the requirements of changing conditions, to continuously improve the skills of the population to ensure the acquisition of new knowledge, to organize various courses and trainings, to use information and communication technologies. It is important to use.

The third area is related to the educational and professional development activities of universities, which are the creators of new knowledge, a source of innovation and a generator

of economic development. This is the most important role of universities in economic development, which shows that universities have great potential in ensuring economic development.

One of the links formed between universities and industry (business) is the technology transfer process, in which the commercialization of technologies created by university researchers takes place. The concept of technology transfer can be defined as the process of designing, developing, manufacturing and commercializing new or improved goods, services or processes based on the results of fundamental and applied research. Technology transfer came into being in the 1970s as a function of universities and remains important for universities as a source of income, one of the incentives for economic development, and a way to put research results into practice.

Universities seek to make a profit by patenting inventions created in their laboratories and licensing intellectual property rights to businesses. But it is not the most important contribution to the economy. Universities can help attract new workforce, knowledge and financial resources. Universities can help adapt knowledge created in different locations to national, local contexts. They can help to unite the separated directions of technological activity. They can help to rediscover and direct knowledge that already exists in the area but is not being used effectively.

Cooperation between higher education institutions and business is a guarantee of the effectiveness of technological innovations, helping businesses "to develop their dynamic potential through new forms of competitive advantage."

The benefits of this partnership include:

1) Increasing the role of higher education institutions in the development of regional and national economies.
2) Financing through relatively free access to funds.
3) Possibility of real application of the developed ideas.
4) Possibility to use high-tech equipment.
5) Opportunity to support and encourage their employees through rewards and scholarships.

Transfer of innovations created by universities depends not only on universities, but also on the economic potential of the regions where universities are located, the level of literacy of the population. Universities can create new knowledge, innovations, create new enterprises. However, universities cannot directly ensure the implementation of these innovations in production, the further effective operation of enterprises specializing in the production of new high technologies. Therefore, the modernization of industrial sectors in a particular region, the decision to develop this or that economic sector is directly related to the scientific and innovative potential of universities in the region, the areas of research, the areas of training trained by these universities.

The application of the results of research work in universities into production leads to the improvement of existing products, the improvement of quality, the creation of completely new products.

The availability of factors such as labor force, capital, land, water, and entrepreneurial ability in production is no longer sufficient to ensure the country’s economic growth in the current context. Not only the presence of these factors, but also the extent to which they are used effectively is becoming increasingly important. At the same time, the knowledge gained as a result of research is considered to be the most important factor of economic growth,

providing the opportunity to organize production with maximum use of these factors.

In developed countries, higher education institutions are one of the key factors in innovative development and economic growth that determine a country's international competitiveness. This shows that the importance of research for technological development is growing. Therefore, the state will create all the necessary conditions for the effective operation of universities, take measures to provide comprehensive support. In the United States, for example, universities are described as an "engine for economic growth." In modern economic conditions, the acquisition of information, the branding of knowledge leads to the development of economic relations associated with their legal protection, the expansion of the intellectual property market. Legal protection and commercialization of research results stand out as an effective way to engage scientists in research that seeks to see the results of their work serve the public interest, to preserve and reward them in this area of activity.

A number of research centers in developed countries have concluded that the technological development of the economy depends on the close cooperation of universities with the manufacturing sector, research centers are the main factor in the incubation of high-tech industries.

The development of high-demand industries will create opportunities for the production of high value-added products. Their export brings high profits to the country.

In addition, the development of research activities in universities will serve as a catalyst for the formation of new industries in the national economy, creating thousands of new enterprises and jobs. Most of these enterprises are located around universities, leading to the creation of special innovation zones. In the future, the ongoing cooperation of these enterprises with universities will allow to introduce innovations in the production of the university, where employees will constantly learn new knowledge.

The number of enterprises engaged in research at universities and their further implementation in practice is growing every year. The increase in the number of such enterprises and their operation on the basis of high profitability provides an increase in the amount of securities issued by these enterprises in the stock market and an increase in market value.

Such a positive change in the value of corporate securities provides them with a large inflow of financial resources for further development of their activities, allows them to adequately finance the ongoing research work. Nowadays, not only the production of new goods, but also reports that research is being conducted on the production of these goods are leading to an increase in the market value of the securities of enterprises producing new goods.

Summarizing the above, it can be said that knowledge is a commodity in the modern economy, universities are the main economic entities that produce, accumulate and supply knowledge, and contribute to the development of the economy in the following areas:

- ✓ training and continuous improvement of highly qualified personnel, raising the level of literacy of the population;
- ✓ carrying out research, production of new or improved goods, services and technologies based on the commercialization of their results;
- ✓ ensuring the dominance of factors of production through the implementation of innovations;
- ✓ creation of new industries by introducing innovations into production;
- ✓ ensuring the well-being of the population by creating new jobs through the establishment

of enterprises.

In conclusion, it can be said that the achievements in the field of science serve for the generation of new knowledge. The effective organization of the implementation of these innovations will contribute to the production of new quality goods and services, ensuring the most efficient use of existing economic resources, the formation of a competitive economy, socio-economic development. Universities play a key role in this process.

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